

FISCAL NOTE

SB 2936 - HB 3257

March 7, 2008

SUMMARY OF BILL: Restricts state and local governmental benefits that can be provided to persons over 18 who are not lawfully in the United States. Requires any agency that is responsible for administration of state and local public benefits to verify the immigration status of any applicant.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Not Significant

Increase State Expenditures – \$27,500/Incarceration*

\$831,600/One-Time

Exceeds \$10,227,000/Recurring

Increase Local Revenue – Not Significant

Increase Local Expenditures - Exceeds \$100,000/Recurring**

Increase Federal Expenditures - \$1,091,600

Other Fiscal Impact - Any decrease in state expenditures as a result of prohibiting the delivery of certain public benefits to illegal immigrants is unquantifiable because it is unknown how many illegal immigrants currently receive such benefits. The process to determine immigrant status will lengthen the application process for many programs within state and local government. This may generate some offsetting costs. Such costs are unquantifiable. The Department of Health indicates that limiting participation in the WIC Program jeopardizes approximately \$121,869,700 in federal funds to the state.

Assumptions:

- Existing federal law requires proof of citizenship or legal immigration status to receive federal benefits. The TennCare program and all federal programs are administered through the Department of Human Services (DHS). Since many of the recipients of the federally funded programs (either fully funded or partially funded) overlap, their citizenship status is being verified through the application process of the programs.

- The U.S. Department of Agriculture administers the Food Stamp program, the Child and Adult Care Food program, and the Summer Food Service Program. It is assumed that these programs will be excluded due to federal regulations.
- The federal status verification system (SAVE) will charge a \$25 fee per month for system access.
- There will be an increase in recurring expenditures exceeding \$85,500 for at least three computer links within each county of the 95 counties to access the SAVE program. The monthly fee for access is \$25 ($\$25 \times 95 \times 12 \times 3 = \$85,500$).
- There will be an increase in recurring state expenditures exceeding \$15,000 for at least 50 computer links to access the SAVE program. The monthly fee for access is \$25 ($\$25 \times 50 \times 12 = \$15,000$).
- Each query of the SAVE system will be subject to a fee of approximately \$0.25.
- There will be an increase in state and local government expenditures associated with such queries. Such increase is estimated to be less than \$100,000 to the state and less than \$100,000 to local governments.
- No fiscal impact to TennCare because they must conform to federal eligibility requirements under current law.
- Benefits under the Cover Tennessee program are not federally mandated and as a result would be subject to the provisions of the bill.
- The Cover Tennessee program will require two additional positions at a recurring cost of \$156,600 to comply with the verification provisions of the bill.
- The Department of Health estimates that each of the 89 rural county health departments will need two Public Health Office Assistants for verification and determination of qualified individuals. Nine Public Health Rep 2 positions will be needed for the early detection and treatment of increased communicable diseases. Such is estimated to increase recurring state expenditures by \$6,340,600 for salary and benefits (\$5,134,200), travel (\$27,000), printing and duplication (\$20,000), supplies (\$130,900), rentals and insurance (\$766,700) and communication and technology services (\$261,800). There will be a one-time increase in expenditures of \$729,300 for office set-up and supplies.
- In 2006, there were approximately 1,965,160 encounters in county health departments.
- The Department of Health also contracts for services with six metro health offices. There will be 16 additional positions to provide verification and determination of qualified individuals which is estimated to increase recurring expenditures by \$432,300.
- Mental Health and Developmental Disabilities will require fifteen new positions to accommodate the increased workload required by immigration status verification. The recurring cost for these positions is

estimated to be \$790,300 for the salary (\$493,500), benefits (\$167,800), travel (\$45,000), printing (\$4,500), office space (\$40,500), phones (\$9,000), office supplies (\$4,500), network connections (\$18,000) and annual contributions to the equipment replacement fund (\$7,500). The one-time costs for office landscaping (\$54,000) and PC's (\$30,000) are estimated to total \$84,000.

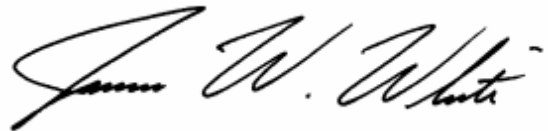
- DHS contracts with local governments, agencies and non-profit organizations to operate several programs. It is estimated that the verification requirements will increase the administrative duties of the agencies. With a one percent increase in administrative costs, DHS will incur an increase in state expenditures of \$590,900.
- The Department of Children's Services (DCS) states that the provisions of the bill will require longer lengths of stay for certain individuals. The fiscal impact of such increases is a recurring increase in state expenditures of approximately \$2,700,000. According to the department, the federal government will reimburse the state for approximately \$1,000,000 of such increase.
- DCS will require five additional positions to comply with the provisions of the bill. The increase in state expenditures associated with such positions is estimated to be approximately \$289,100. According to the department, the federal government will reimburse the state for approximately \$91,600 of such increase.
- The Department of Environment and Conservation will incur a one-time cost of \$18,300 to make forms changes for the Water and Wastewater Operator Certification and to make determinations concerning the 3,400 operators currently licensed. There will also be a recurring cost to the department estimated to be \$3,800 due to the increased administrative expenses of requesting and assessing affidavits of lawful presence for each operator applicant.
- Two offenders will be convicted of a Class D felony offense for aggravated perjury and will serve 0.6 years (219.15 days). According to the Department of Correction, the average operating cost per inmate per day for calendar year 2008 is \$62.78. The cost per offender at 0.6 years is \$13,758.24. The total additional operating cost for two offenders is \$27,516.48 (\$13,758.24 x 2).
- No significant incarceration cost increase will occur due to population growth in this period.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenues are estimated to be not significant.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

***Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/cce